Internal Use
DRPT Tracking #

Rail Enhancement Fund
Project Application Form

UPDATED
Date: February 19, 2008

A. Name of Applicant (Name and Address)

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510

Applicant type:
___ Passenger Railroad
_X_ Freight Railroad
___ Locality
___ Business
___ Other _____

B. Contact Information:

Responsible Person/Title: Sarah Quisenberry, Director Strategic Planning

Telephone: 757-629-2686 Fax: 757-533-4884 Email:sarah.quisenberry@nscorp.com

Project Manager/Title: Sarah Quisenberry, Director Strategic Planning

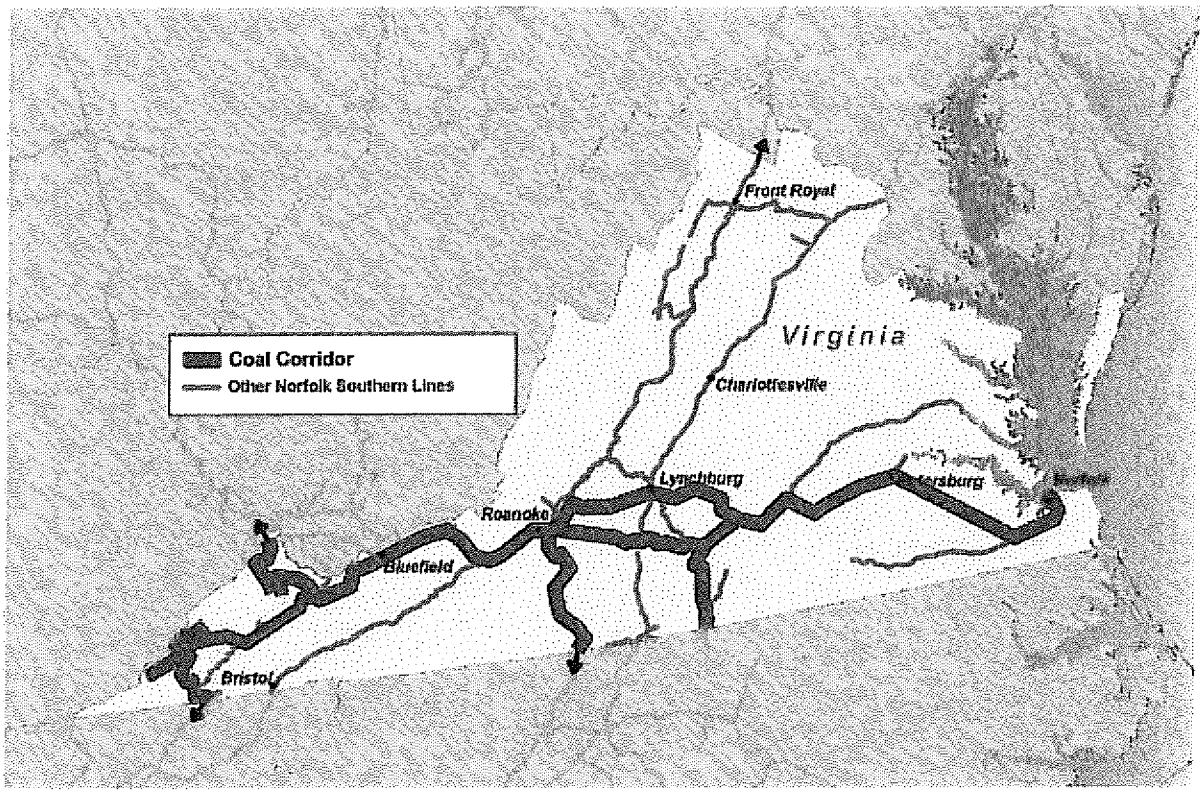
Telephone: 757-629-2686 Fax: 757-533-4884 Email:sarah.quisenberry@nscorp.com

C. Project Title: Coal Corridor Initiatives

D. Project Location: (City/County, Rail line, Railroad Mile Post, attach map)

The Coal Corridor is comprised of the NS mainlines from the Port of Hampton Roads across the southern half of the state through Roanoke and into the Virginia coalfields. NS lines to coal fired power plants in southern Virginia and on the Virginia/North Carolina border are included as well. (see map next page)

Projects:
A) Andover Rail Sidings - Andover, Wise County, mp 2.3-T to 1.2T & LN-279.1 to LN-280.1 (see Exhibit I)
B) Clarkton Passing Track Extension, Clarkton, Halifax County, mp L-37 (see Exhibit II)
C) Virso Passing Track Extension, Virso, Prince Edward County, B-13.71 (see Exhibit IV)



E. Owner of Property/Right-of-Way/Facility/Personal Property:

Norfolk Southern Railway Company owns the mainline track rights-of-way, tunnels, bridges, and related appurtenances. NS or an affiliate will acquire any property required.

F. Responsible Party for Continuous Maintenance of Project:

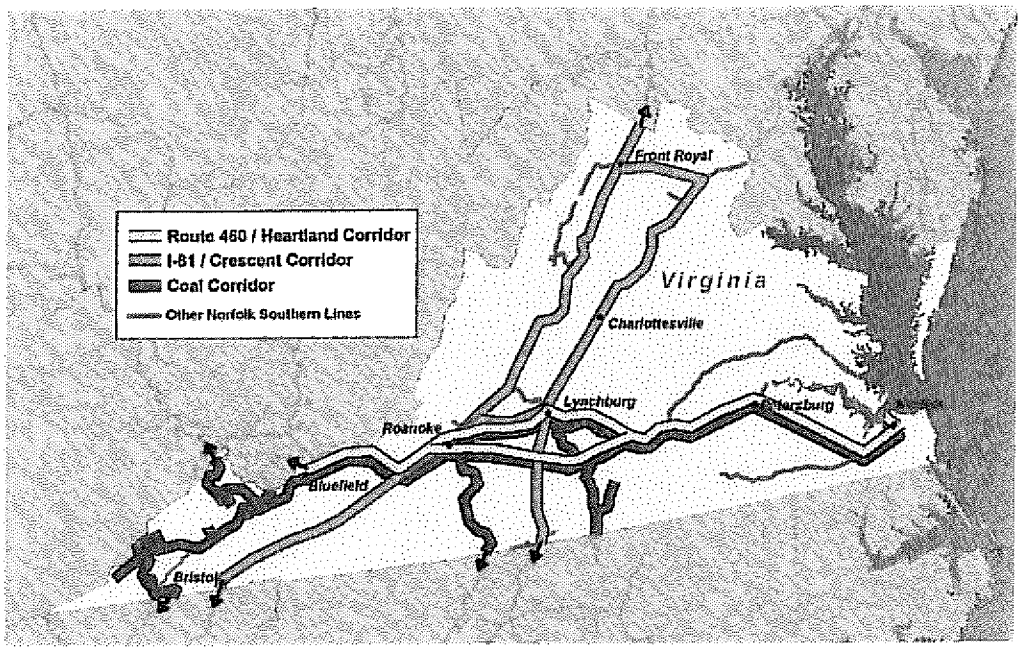
Norfolk Southern Railway Company. This application is for capital costs only. NS will assume all ongoing maintenance and operating cost responsibilities and future capital costs.

G. Project Information:

1) Description of Project:

The NS Coal Corridor is comprised of the NS mainlines from the Port of Hampton Roads across the southern half of the state through Petersburg and Roanoke and on to the Central Appalachian coals fields, as well as branch lines serving the coal fields and coal-fired power plants. The Coal Corridor and Route 460/Heartland Corridor (subject of another Rail Enhancement Fund application, overlap from the Port of Hampton

Roads west to Bluefield. The I81 Crescent Corridor also overlaps the Coal Corridor from Lynchburg and Altavista west to Radford.



The NS 2008 capital budget includes investments both to maintain the safety and quality of the existing NS franchise, and to support the business growth expected in future years. In 2008, NS plans to spend $1.425 billion on capital investments. This represents an increase of $84 million, or 6%, versus 2007 expenditures. Each year, a significant portion of capital expenditures is invested to maintain the NS franchise, including maintaining right-of-way, equipment replacement, and safety and regulatory requirements. Approximately 71% of 2008 capital expenditures will be spent on maintaining the NS railroad for continued safe and reliable operations. The remaining 29% of the budget is related to the growth and productivity of the franchise. These projects include infrastructure and terminal expansion investments, strategic opportunities, and projects that improve productivity and efficiency.

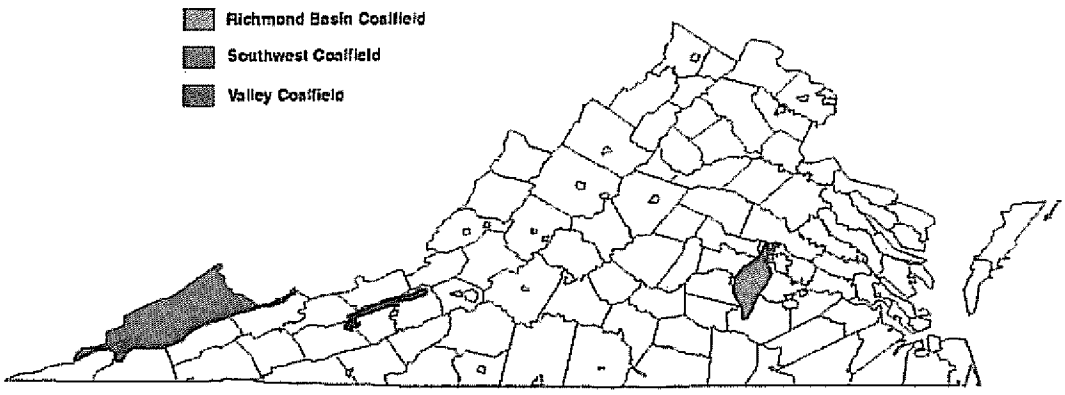
Public private partnerships enable NS to spread investment dollars so that more projects can be completed; the public pays for societal benefits and NS pays for operational benefits. Overall, Norfolk Southern authorized $120 million for strategic capacity improvements on NS lines in 2006 and 2007 – not including the Heartland and Crescent Corridors. The Heartland Central Corridor project (Rail Enhancement grant 76506-1) enables NS to create a more efficient intermodal service lane for the Port of Hampton Roads. This project would not have been done if not for the $150 million public/private partnership involving contributions totaling $95 million from the federal government, Virginia, West Virginia, and Ohio. The projects identified in this application also would not be done without funding assistance. NS will invest to maintain the NS right-of-way through Virginia; however, apart from Heartland (Rail Enhancement grant 76506-1) and Crescent (Rail Enhancement grant 76508-4), over the next three years infrastructure investment solely funded by NS is expected to be concentrated in two

major areas -- the lines east of Chicago and the Southeast (Atlanta and Birmingham). Rail Enhancement funds will enable NS to also address several bottlenecks in the Commonwealth of Virginia and to build infrastructure and capacity to handle more volume.

Strong freight railroads with adequate capacity enable companies in the Commonwealth of Virginia to conduct business efficiently and effectively. A strong transportation network is vital to a state's economic health and future vitality. In recent years US annual coal production has been over one billion tons, while Virginia production has been approximately 30 million tons. The growth in US coal has been driven by the Powder River Basin coal in the west. Virginia's peak production was in 1990 with over 46.5 million tons.

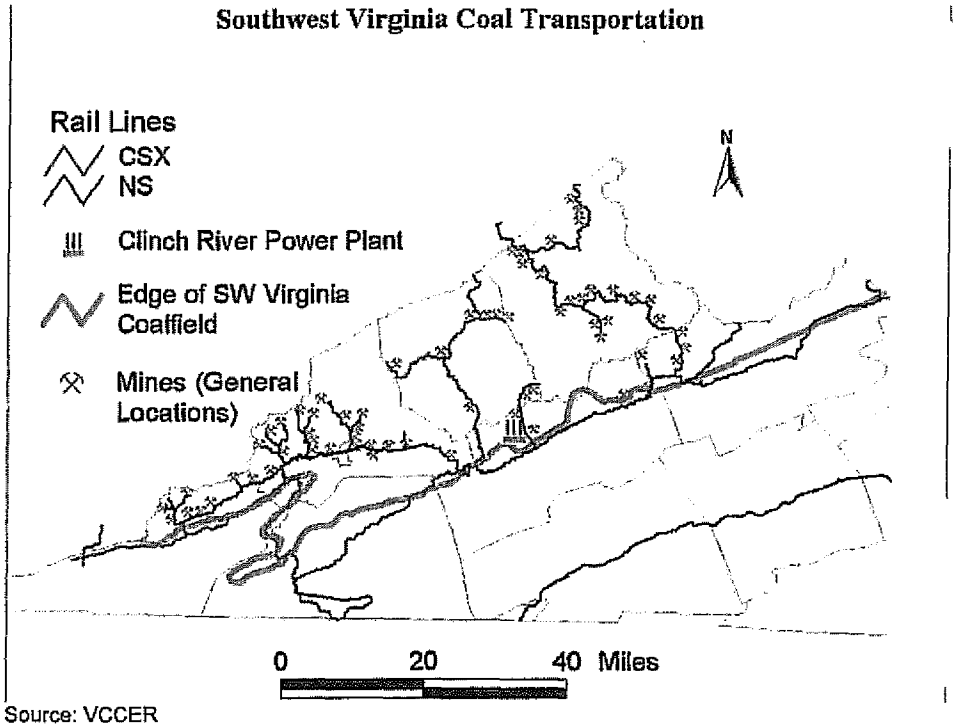
The declining Virginia coal production had a significant impact on southwest Virginia producing some of the state's highest unemployment rates in the 1990s. Despite these challenges to the industry, the Virginia coal industry contributes significantly to the state's economy. A 1995 VCCER study concluded that each mining job in the Virginia coal industry supported approximately 3 non-mining Virginia jobs.

Coal-Field Regions



Source:
- VCCER

Recent changes in the global market, from the value of the US dollar to consumption by China of coal and steel, have resulted in enhanced opportunity for the US coal producers. Virginia coal is generally high in quality with a high energy content and low sulfur content, an ideal combination for electricity generation. Hampton Roads is the nation's largest coal port. Coal shipments through Hampton Roads are projected to increase 48% in 2008, from 28.3 million tons per year to 42 million tons. The majority of Virginia coal is shipped from mine to market by railroad. It is estimated that over 90% of Virginia's coal production is hauled to market by Norfolk Southern. A significant portion of the utility coal produced in southeast Virginia is shipped to generating stations in Tennessee, the Carolinas and/or Georgia.



Source: VCCER

The following overview will discuss the Coal Corridor starting in the east at the ports of Hampton Roads and traveling through the Commonwealth to the western border at Bluefield; specific bottlenecks which impact the line will be identified. These bottleneck locations and issues will identify specific infrastructure projects proposed for Rail Enhancement funding; a summary of each specific infrastructure project will follow the Coal Corridor overview.

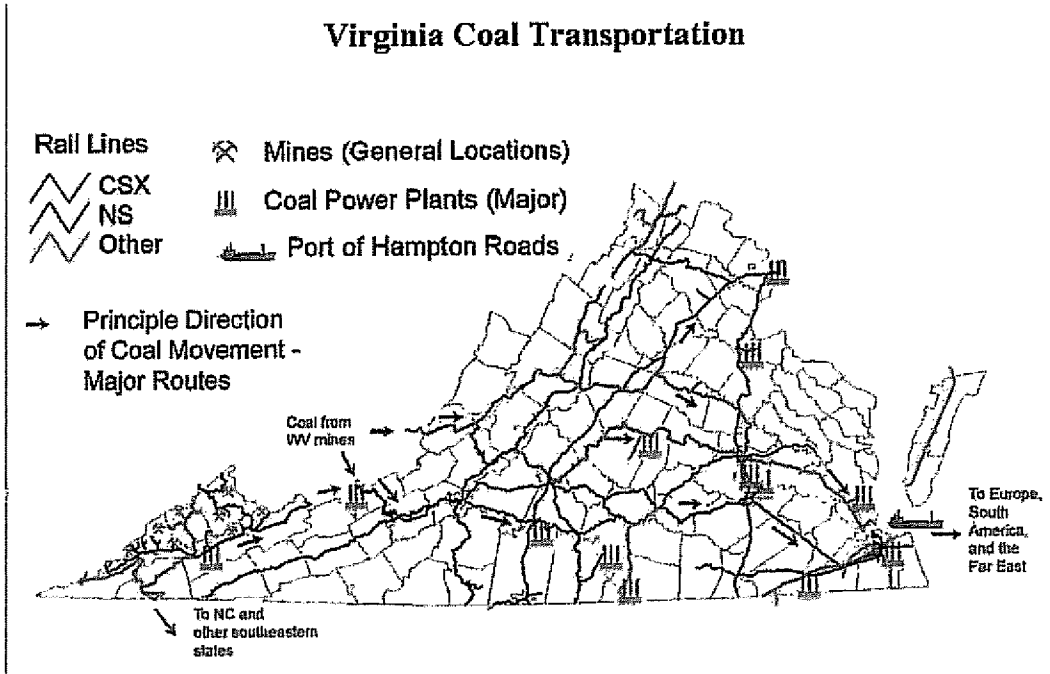
The rail line from Tidewater to Crewe is double track with directional running (trains usually run east on one track and west on the other). Traffic moving over this segment of the corridor includes the loaded unit trains of export coal traveling east to the port and unit trains of empty coal cars traveling back west to the mines for reloading. This double track mainline also serves as the access for intermodal traffic traveling to and from the tidewater ports, such as NIT and Maersk. The Heartland Corridor traffic (REF grant agreement 76506-1) will operate over this line. Merchandise trains also use this mainline and several customers are located along the line.

As identified in the NS Route 460/Heartland Corridor application, infrastructure at Suffolk is a bottleneck for traffic moving to and from Hampton Roads. This gateway to the Virginia ports is located downtown in a growing town with seven at-grade crossings within a 2-mile stretch of rail line. Loaded coal trains travel east through the town on their way to Lambert's Point for export and empty trains return west on this route. Intermodal and merchandise trains also use this route. Recently export coal volumes have rebounded with changes in the world market. Loaded coal trains to Lamberts Point will benefit from the proposed reconfiguration of track through Suffolk identified in the Route 460/Heartland Corridor application.

West of Crewe, at Abilene, the NS mainline diverges into two routes. Merchandise, intermodal and empty unit trains returning west (coal and grain) use the northern route, from Abilene to Lynchburg. This route is single track requiring trains to pass each other at sidings. Empty coal train movements will benefit from the proposed siding at Pamplin identified in the Route 460/Heartland Corridor application which will provide more opportunities for trains to meet and pass. The southern route is used for eastbound unit coal trains. This line is single track with few sidings.

At Roanoke the two NS mainlines come together and run west side by side. At Salem, the lines cross and the former northern route carrying intermodal (the Heartland Corridor intermodal route to Columbus, Ohio) and merchandise traffic becomes the southern route. This route is primarily double track. The former southern route carrying eastbound export coal becomes the northern route at Salem (primarily single track).

In addition to the east-west coal corridor from the Virginia coal mines to the port of Hampton Roads, an intricate network of branch lines serve the mines. Trains delivering coal to the Belews Creek facility on the Virginia/North Carolina border use the NS line from Roanoke south to Winston Salem, NC. On the eastbound coal route (the southern NS line) between Roanoke and Crewe, the NS line connects at Vabrook to lines serving the Clover, Hyco, and Mayo power plants. Empty returns from these power generating stations utilize the NS connection between Vabrook and Lynchburg in order to utilize the same empty return route as empty unit trains returning from Lambert's Point.



Source: VCCER

Coal Corridor Projects	Start Year	Benefits	Cost (millions)
Andover Rail Sidings	2009	Capacity, flexibility, grade crossings	$2.1
Clarkton Siding Extension	2010	Capacity, flexibility	$5.0
Virso Siding Extension	2012	Capacity, flexibility	$5.0

A. Andover Rail Sidings

Andover, VA sits on the southern edge of the Virginia coalfields with a small yard serving the area's customers. Several years ago NS purchased from CSXT the former-L&N main line between Appalachia and Norton, VA. NS lines converge at Andover from three different directions, and trains have no place to meet. Due to the lack of space to meet, trains are held at the mines, at Norton, or on the small sidings between Andover and Gate City, causing vehicular delay as these sidings cross streets at grade.

This project involves the creation of a siding (or "pocket track") within the Andover yard limits by rearranging, rehabilitating and connecting several auxiliary tracks.

Begin westbound on Appalachia District at milepost 2.3-T:

(A) Replace #10 hand-throw turnout (from main track to Load Track #1) with hand-throw #15 turnout.
(B) Upgrade Load Track #1 between milepost 2.3-T and 1.4-T
(C) Construct track and tie-in between milepost 1.4-T and 1.2-T (1.2-T=LN-279.1)
(D) Upgrade former L&N main line between milepost LN-279.1 (1.4-T=LN-279.1) and milepost LN-279.7 (0.6-T=LN-279.7)
(E) Install two #15 hand-throw crossovers at milepost LN-279.7/0.6-T (Pine Street, which has crossing signals)

Begin eastbound on Clinch Valley Extension at milepost IN-5.5

(F) Upgrade former L&N mainline between milepost LN-279.7 and milepost LN-280.1
(G) Convert #10 hand-throw turnout at milepost LN-280.1/IN-5.5 to #15 hand-throw crossover
(H) Install #15 hand-throw crossover at milepost LN-280.1/IN-5.5 (immediately west of G)

B. Project Clarkton Siding

The L-line begins in Lynchburg, crosses the Coal Corridor at L- 33.5 at Vabrook and continues south to connect with the Clover branch servicing the Clover power stations and into North Carolina to the Hyco and Mayo power plants. In addition to coal trains, there are several merchandise customers served on these lines. Clarkton siding is

located at milepost L-37. Unit coal trains average 180 cars per train. The L-line is single track with a short siding at Clarkton (L-37), Sinai (L-58), and Denniston (L-68). NS proposes to extend the Clarkton siding to 11,000 feet in order to provide room for unit coal trains (both empty and loaded) and merchandise trains to meet and pass safely.

C. Virso Siding

The Virso Siding is a short siding on the eastbound loaded coal unit train route between Roanoke and Crewe. NS proposes to extend the siding to 11,000 feet. This will provide more capacity and routing flexibility on this line. NS and its shortline partner Virginia Southern serve the Virginia Power Clarksville power plant. Currently NS must take the train into Crewe where the unit train is broken up in order to interchange it to Virginia Southern. A longer siding at Virso would help to stage this operation and keep fluidity on this major east-west artery.

2) Project Objectives:

A – Andover Rail Siding

The objective of the project is to increase freight capacity and to improve operating efficiency through Andover. These lines serve Virginia coalmines and handle approximately 85% utility coal and 15% export coal. Virginia's coalmines, which are located entirely within the southwestern counties of the Commonwealth, are in direct competition with those in West Virginia, Kentucky and Tennessee. Many of the competing mines benefit from being located on mainline routes of Norfolk Southern Railway Company and/or CSX Transportation, Inc. As coal receivers, especially electric utilities, increase their ownership of coal hauling train-sets, round-trip cycle times, including line-of-road transit, are becoming a significant factor in the customers' coal sourcing decisions.

With the new siding, trains will be able to meet and pass as they move through Andover/Appalachia (without blocking road crossings while standing) rather than being held at the mines, on current sidings, or in Norton. Eliminating the need to hold trains will improve coal train efficiency that will improve throughput at the coalmines and will allow Norfolk Southern to handle these shipments as expeditiously as those originating in neighboring states. Based on September 2005 data, NS operated 496 movements into and out of Andover Yard. This equates to 16.5 trains per day. This project will allow each train to avoid about an hour's delay.

B – Clarkton Rail Siding

The objective of this project is to provide room for unit coal trains (both empty and loaded) and merchandise trains to meet and pass safely and thereby increase capacity and improve service for customers.

D- Virso Siding

The objective of the project is to increase freight capacity and to improve operating efficiency on the eastbound loaded coal route between Roanoke and Crewe. Lines to several power plants branch off this main line.

3) Relationship to Other Projects under Development by Applicant or Previously Funded by this Program:

As identified in the overview of the Coal Corridor, several projects identified for the Route 460/Heartland Corridor while also benefit the Coal Corridor as the coal and Heartland intermodal corridors overlap through much of Virginia.

No provision has been made for crossing closure or grade separation associated with the Andover project. However, there is a possible opportunity for closing one or both of the crossings in the project area as alternate access is available. Both Kilbourne Avenue and Pine Street are connected and Inman Pike provides access to the area.

4) Describe the Public Benefits of Project. Identify significant types of benefits and beneficiaries from this project. (See Attachment A).

A. Andover Rail Sidings

Improved operating efficiency and increased throughput at Virginia coalmines. Projects such as this will help to keep Virginia coalmines competitive with mines in West Virginia, Kentucky and Tennessee.

By improving train movements through Andover/Appalachia, several benefits are achieved:

- Improved freight transit time with improved operating efficiency
- Reduced fuel consumption (16.5 hours per day)
- Reduced emissions as trains may meet and pass rather than be held or idle while waiting to progress (16.5 hours per day).
- Improved grade crossing safety/Reduced vehicular delay at grade crossings (especially in other Southwest Virginia cities and towns, estimated 2+ hours per day)
- The two coal load-outs in Virginia that presently have the capacity and coal specifications required for Dominion Power's planned generating station near Caledonia, Virginia, are both located in Wise County west of Andover/Appalachia. Rail shipments to this location from these two load-outs will also benefit from this proposed siding.

B. Clarkton Siding

By reducing aggregate delay, this project will help to improve air quality and conserve fuel. By increasing capacity, the project enables the rail mode to absorb more growth.

C. Virso Siding

By reducing aggregate delay, this project will help to improve air quality and conserve fuel. By increasing capacity, the project enables the rail mode to absorb more growth.

Attachment A – Project Data Information Form – Must be completed by Applicant and submitted with this application.

H. Type of Project:

A. Andover, B. Clarkton, C. Virso

1) A, B, C New Construction A Rehabilitation ___ Study

2) A, B, C Rail Infrastructure __ Rail Facility/Station
___ Equipment/Rolling Stock ___ Signals/Communication Equipment

3) Other _____

I. Application Scope of Work Covers:

_X_ Entire Project ___ A Phase of a Multi-Phase Project ___ Completion Phase

J. Project Budget Summary:

Coal Corridor Projects:	Andover Siding	Clarkton Siding	Virso Siding
Preliminary Services, Engineering, or Feasibility Study	105,000	500,000	500,000
Environmental Evaluation	0	0	0
Design Engineering	0	500,000	500,000
Right of Way Acquisition	0	0	0
Construction	1,545,000	3,500,000	3,500,000
Construction Management	100,000	100,000	100,000
Lease/Acquisition of Equipment	0	0	0
Public Involvement (if applicable)	0	0	0
Other: (Contingency)	350,000	400,000	400,000
Subtotal	2,100,000	5,000,000	5,000,000
Total Project		$12,100,000	

K. Attach detailed budget and schedule information. If the project is for final design, construction or procurement; then plans, specifications and reports to a preliminary engineering level (approximately 30%) should be provided to support the project cost and major features (if applicable). A sample budget and schedule is included in Appendix D.

L. Rail Enhancement Funds Requested in this Application: $8,470,000
Maximum 70% of Total Project Budget. 70%
Do not include any previous allocations or future phases.

M. Local Match Required by Applicant: $3,630,000
At least a minimum 30% of Total Project Budget. 30%

If Overmatch, Provide Percentage _____

1) Match breakdown by Source (Including any in-kind match)
   a. Provider of Local Match Norfolk Southern
   b. Status (confirmed/anticipated) confirmed
   c. Attach justification for value of in-kind match.

2) Other Funding Sources Beyond Match Requirement
   a. Provider of Overmatch _____
   b. Status (confirmed/anticipated) _____

Funding Allocation by Project	Andover Sidings	Clarkton Siding	Virso Siding
Rail Enhancement Funding	$1,470,000	$3,500,000	$3,500,000
Rail Enhancement Funding %	70%	70%	70%
NS match	$630,000	$1,500,000	$1,500,000
NS Match %	30%	30%	30%
NS Overmatch %	0%	0%	0%
Total	2,100,000	$5,000,000	5,000,000

N. Project implementation schedule (based in months). List major milestones of the project, including environmental review and public involvement points if applicable.

A. Andover Rail Sidings:

Milestone Description	Estimated Completion Date From Notice to Proceed
o Notice to Proceed	Start Point
o Survey and Finalize Plans	3 Months
o Track work	7 Months
o Upgrade Existing Bridge	8 Months

B. Clarkton Siding:

Milestone Description	Estimated Completion Date From Notice to Proceed
o Notice to Proceed	Start Point
o Survey and Develop Plans	3 Months
o Acquire Right of Way (if required)	6 Months
o Bidding	8 Months
o Permitting	10 Months
o Grading	15 Months
o Track work	18 Months

C. Virso Siding:

Milestone Description	Estimated Completion Date From Notice to Proceed
o Notice to Proceed	Start Point
o Survey and Develop Plans	3 Months
o Acquire Right of Way (if required)	6 Months
o Bidding	8 Months
o Permitting	10 Months
o Grading	15 Months
o Track work	18 Months

O. Statement of how this project promotes or does not preclude dual/multi-access use.

A. Andover Siding
This project is on Norfolk Southern owned right-of-way; the rail line will remain an exclusive Norfolk Southern route.

B. Clarkton Siding
This project is on Norfolk Southern owned right-of-way; the rail line will remain an exclusive Norfolk Southern route.

C. Virso Siding
This project is on Norfolk Southern owned right-of-way; the rail line will remain an exclusive Norfolk Southern route.

P. List additional users of rail line, facility, and/or equipment:

A. Andover Rail Siding
None.

B. Clarkton Siding
None.

C. Virso Siding
None.

Q. Identify any possible environmental or other issues/concerns within the scope of this project.

A. Andover Rail Sidings
No environmental issues are expected, as all of the construction will occur within NS owned right-of-way. Environmental benefits of the project will include improved air quality through reduced emissions as trains will not need to be held or idle at the coal mines, at Norton, or on the siding between Andover and Gate City, and as vehicular traffic will not be idled as long or as often when grade crossings are blocked.

B. Clarkton Siding
No environmental issues are expected for the Clarkton Siding as all work is expected to be performed on the NS right-of-way. It is expected to have a positive environmental impact by reducing the time that trains idle, and thereby reducing emissions, while waiting to accomplish a meet and pass when the sidings are farther spread out.

C. Virso Siding
No environmental issues are expected for the Virso Siding as all work is expected to be performed on the NS right-of-way. It is expected to have a positive environmental impact by reducing the time that trains idle, and thereby reducing emissions, while waiting to accomplish a meet and pass when the sidings are farther spread out.

Required Attachments:

Application is not complete without items 1-5 completed by the Applicant and submitted with the Application.

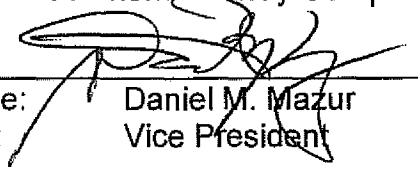
1. Attachment A – Project Data Information Form (provided)
2. Attachment B – Application Checklist (Provided)
3. Detailed cost, budget and schedule. Include preliminary engineering to 30% report, if applicable (Sample in Appendix D).
4. Certification of Match/% of Match/Documentation of Source of Match including Defined Match Source (To be provided by Applicant).
5. Certification of Additive Investment (To be provided by Applicant).
6. Statement from the Applicant/Owner of the facility that the SWAM participation goals will be achieved by the project.
7. Statement by the owner of the facility that acknowledges the Commonwealth will have a public interest in the facilities, materials, equipment and improvements funded or impacted by this project (To be provided by Applicant/Owner).

Application and Attachment Certification

To the best of my knowledge all information contained in this application and its attachments is true. The information provided to the Virginia Department of Rail and Public Transportation (DRPT) is subject to full disclosure except where protected by Virginia Code. Any additional documentation related to this application will be provided to DRPT upon request.

Authorized Signature and Title:

Norfolk Southern Railway Company



Date: 1/31/2008

Name: Daniel M. Mazur
Title: Vice President

One signed original, twelve copies, and an electronic copy in pdf format of the completed application and required documentation must be mailed under applicant cover to:

Director
Virginia Department of Rail and Public Transportation
1313 East Main Street, Suite 300
Richmond, Virginia 23219

Internal Use
DRPT Tracking #

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment A
Project Data Information Form

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Andover Rail Sidings

General Instructions: Please complete the following forms that apply to the project application.

- For Freight Service projects, complete forms A1, A2 and A5
- For Intercity/Amtrak passenger projects, complete forms A1, A3 and A5
- For Commuter/VRE passenger projects, complete forms A1, A4 and A5
- For projects that involve benefits to both freight and passenger projects, form A1 and forms A2-A4 that apply must be completed. For each completed form A2-A4, a form A5 must be completed for each category for projects resulting in multiple project benefits.

Terms:
Project Cost and Construction period: Form A1 shall be completed with total project cost by year of expenditure with total DRPT cost identified by year of expenditure. This section must be completed for all project applications.

Demand Characteristics: This category of information relates to the additional demand for rail service (including freight and passenger) due to the project. This additional demand must be over and above baseline conditions that currently exist. The specific data to enter here defines initial demand, steady state demand, and the years until steady state demand is achieved.

Steady State Demand: This term refers to the point at which the project benefits/demand have reached a long-term, sustainable level.

Project Impact on Travel Distance: This category of information includes the distance that would be traveled by vehicle or train. All distances should be limited to miles within Virginia. The distance should relate directly to the project-impacted area.

Demand Characteristics for a 15-year Performance Period: This term refers to the project output by performance year, which will be utilized to determine that public benefits and to determine the performance requirements over the 15-year Performance Period of the Grant Agreement.

EXHIBIT I

Attachment A

Form A1 – Project Cost and Construction Period

Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

First Construction Year: 2009

Last Construction Year: 2009

Year	Total Project COST	Total DRPT COST
2009	$2,100,000	$1,470,000
Total	**$2,100,000**	**$1,470,000**

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A2 – Freight Service
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

	CATEGORY	UNITS	VALUE
Demand Characteristics	Steady state demand – diversion of freight to rail (from trucks)	Carloads/Year	12,269,332 tons of coal @ 100tons/car = 122,693 loaded trains/yr
	First year of diversion	Carloads/Year	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project impact on Travel Distance	Rail miles in Virginia (Existing routing before project)	Miles	n/a
	Rail miles in Virginia (routing after project completion)	Miles	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Conversions	Railcars per Train	Railcars/Trains	30-100 cars/train
	Rail tons per Railcar	Tons/Railcar	100 tons/railcar
	Trucks per Railcar	Trucks/Railcar	3 trucks/railcar

	CATEGORY	UNITS	VALUE
Other	Change in Daily Delay for Freight Trains	Railcars/Trains	1 hour on 16.6 trains per day on average 65 cars/train
	Reduction in Number of Rail At-Grade Crossings	Tons/Railcar	n/a

Based on October 2007 data, NS operated 511 movements into and out of Andover Yard. This equates to 16.6 trains per day. This project will allow each train to avoid about an hour's delay.

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A3 – Passenger Service – Intercity/Amtrak
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

	CATEGORY	UNITS	VALUE
Demand Characteristics	Annual Amtrak passengers (existing)	Passengers/Year	n/a
	Steady State Demand – Additional Amtrak Passengers	Passengers/Year	n/a
	First Year Number of Additional Passengers	Passengers/Year	n/a
	Number of Years Until Steady State	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project Impact on Travel Distance & Time	Amtrak Passenger Trip Length (existing)	Miles	n/a
	Amtrak Passenger Trip Length (After Project Completion)	Miles	n/a
	Amtrak Travel Time Per Trip (existing)	Minutes	n/a
	Amtrak Travel Time Per Trip (After Project Completion)	Minutes	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A4 – Passenger Service – Commuter/VRE
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

	CATEGORY	UNITS	VALUE
Demand Characteristics	Annual VRE passengers (existing)	Passengers/Year	n/a
	Steady State Demand – Additional VRE Passengers	Passengers/Year	n/a
	First Year Number of Additional Passengers	Passengers/Year	n/a
	Number of Years Until Steady State	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project Impact on Travel Distance & Time	VRE Passenger Trip Length (existing)	Miles	n/a
	VRE Passenger Trip Length (After Project Completion)	Miles	n/a
	VRE Travel Time Per Trip (existing)	Minutes	n/a
	VRE Travel Time Per Trip (After Project Completion)	Minutes	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT I
Attachment A
Form A5– Demand Characteristics for 15-Year Performance Period

Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

Performance Year	Performance Value *
1	
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Total	

For Freight Service Projects – car loads or containers per year
For Inter-City/Amtrak Passenger Projects – passengers per year
For Commuter/VRE Passenger Projects – passengers per year

- Reduced wait at grade crossings in Andover with average 16.6 trains per day
- NS employs approximately 100 at Andover and 54 at Norton
- 2.1 miles of usable main line-quality siding
- Reduces 16.6 hours aggregate train delay which will allow faster turn times for assets such as locomotives, crews and freight cars.
- Based on October 2007 data, NS operated 511 movements into and out of Andover Yard. This equates to 16.6 trains per day. This project will allow each train to avoid about an hour's delay.

  Most recent 12 months shipped 12,269,332 tons of coal. 100 tons/car. 122,693 loaded cars

Rail Enhancement Fund
Project Application Checklist

Internal Use
DRPT Tracking #

EXHIBIT I

Attachment B

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

Checklist for Application:

1. Project is consistent with goals of applicable adopted state, regional and/or local plans.

   __x__ YES ____ NO

2. Project is an Additive Investment to Virginia.

   __x__ YES ____ NO

3. Project provides for, or does not preclude, shared or dual access opportunity.

   __x__ YES ____ NO

4. Applicant has provided documentation and certification of at least a minimum 30% match.

   __x__ YES ____ NO

5. Applicant has provided an environmental review plan and/or public involvement plan, if applicable, and required budget for this activity as outlined in Appendix D.

   __x__ YES ____ NO

6. Application is complete, including signature and specified number of hard copies and an electronic (pdf file) copy; and Applicant has reviewed the Standard Agreement as provided in Appendix C.

   __x__ YES ____ NO

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment C
Project Background Information

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

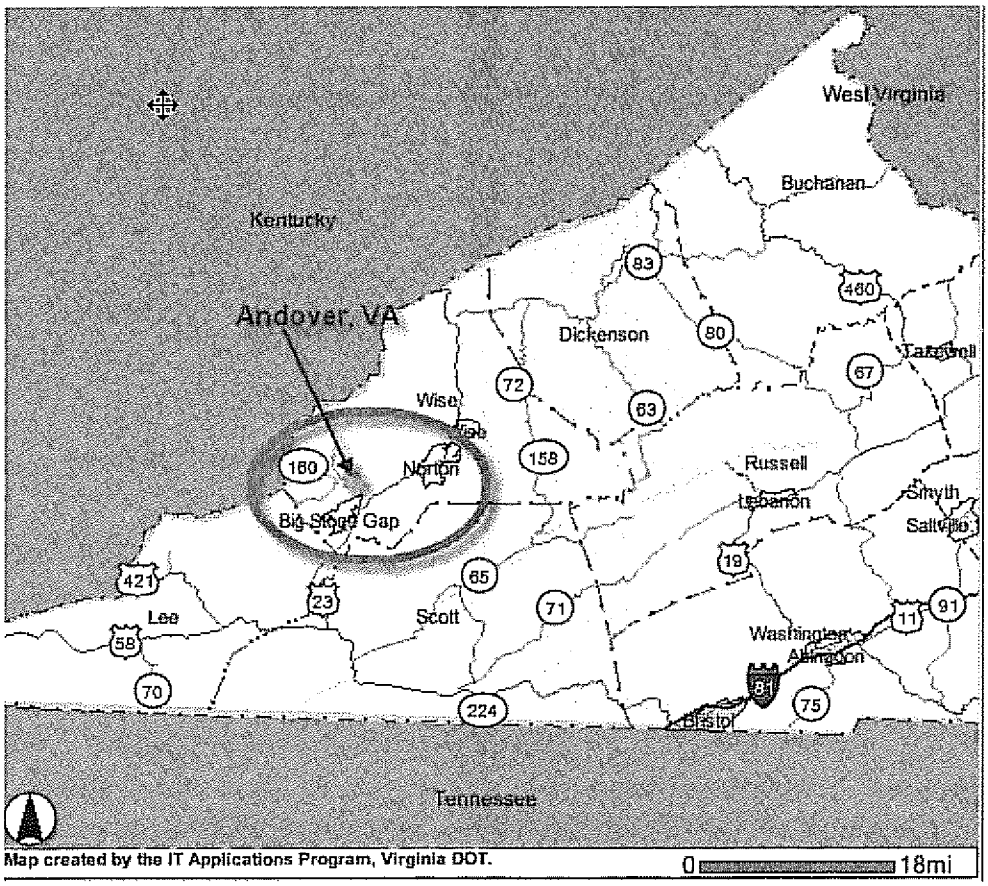


EXHIBIT I

Attachment C
Project Background Information

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

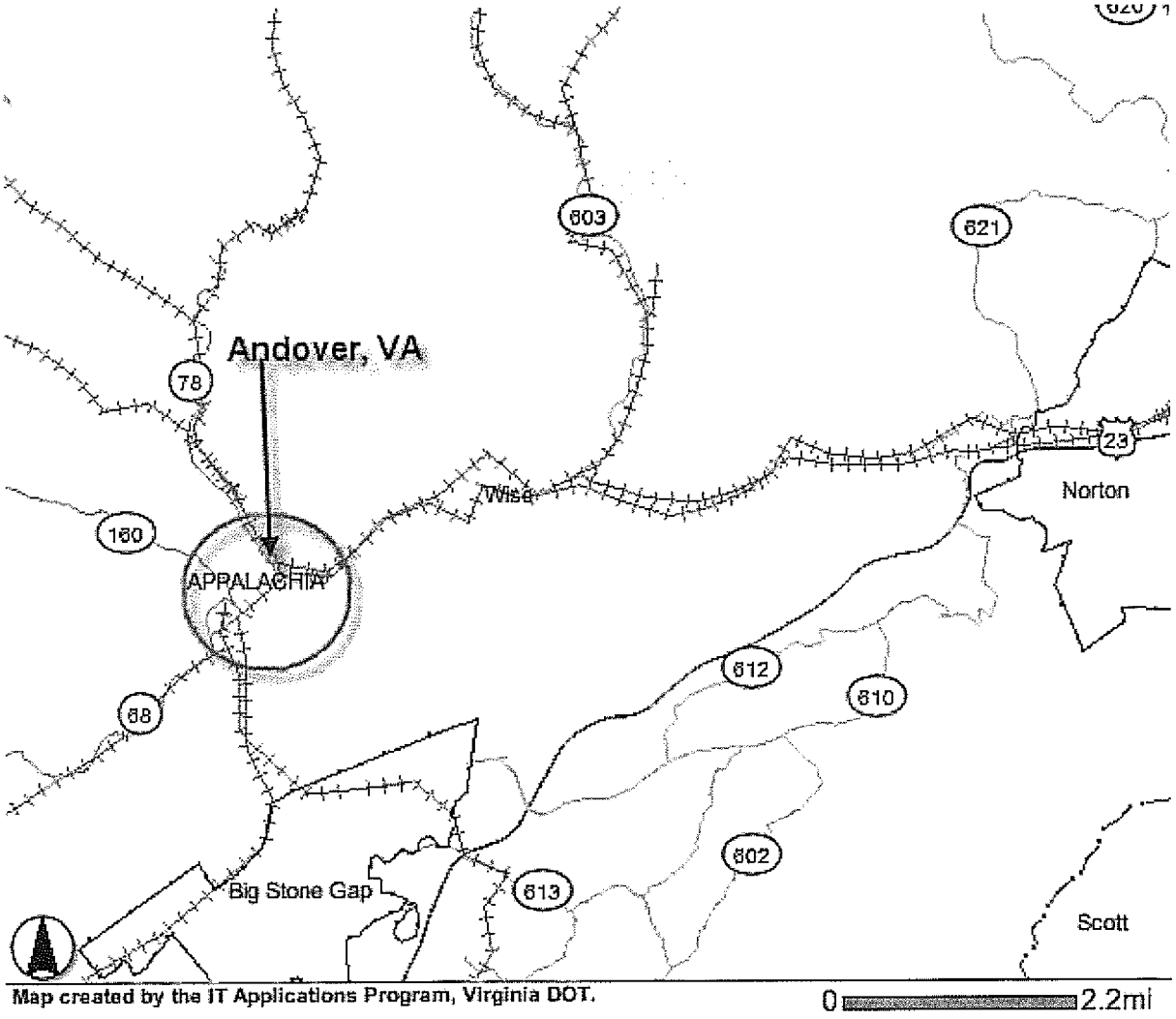
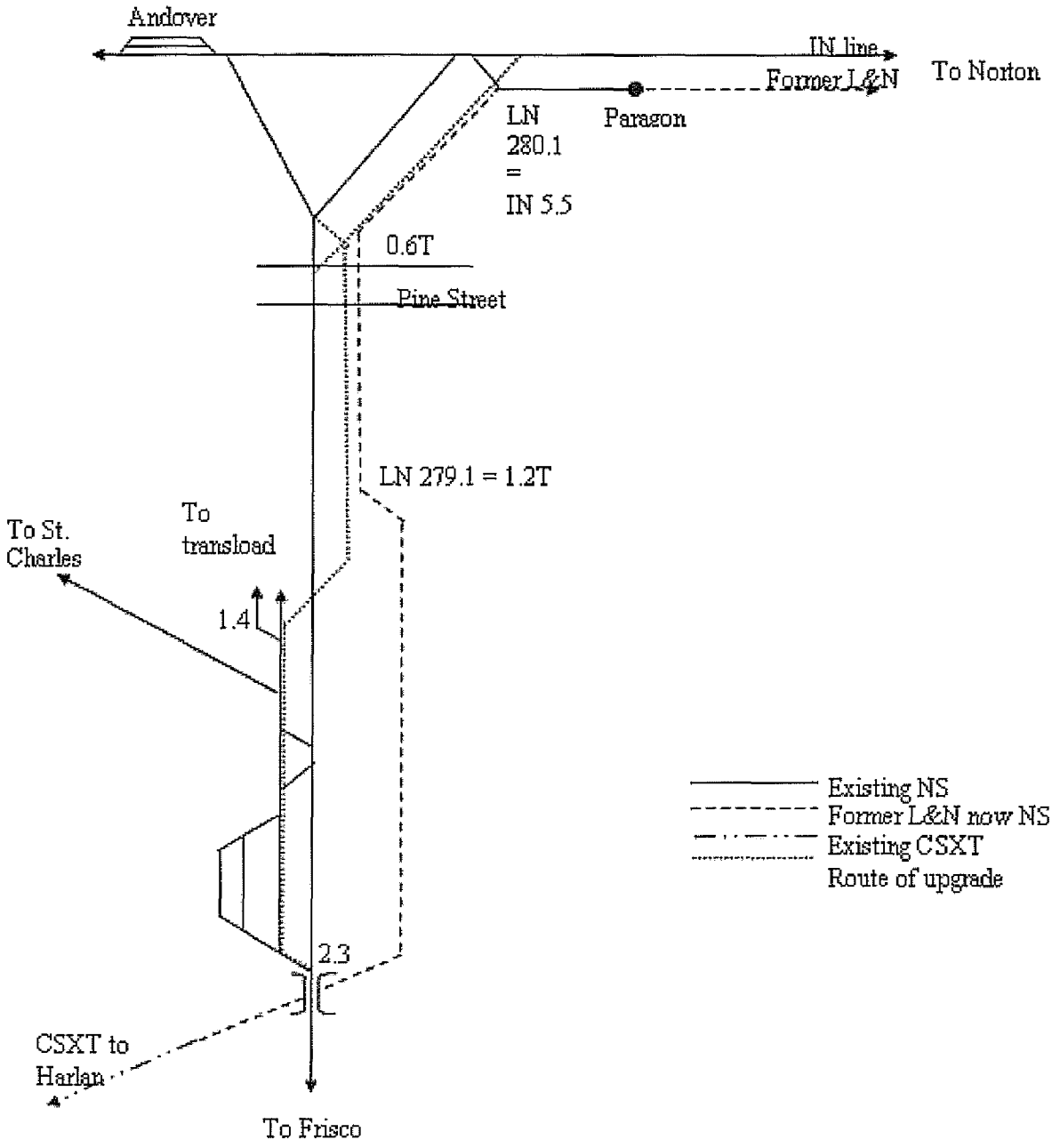


EXHIBIT I
Attachment C
Project Background Information

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern - Andover Rail Sidings - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

Schematic Showing Proposed Changes at Andover VA



Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment D
Statement of Public Interest

Name of Applicant and Project:
Norfolk Southern - Andover Rail Siding - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

Statement from the owner of the facility that acknowledges the Commonwealth will have a Public Interest in Private Facilities impacted by this project

To Whom It May Concern:

At the appropriate time, NS will enter into an appropriate agreement to be negotiated with the Commonwealth of Virginia to protect the Commonwealth's public interest in the Andover Rail Siding Project.

NORFOLK SOUTHERN RAILWAY COMPANY
By:

Name: Daniel M. Mazur
Title: Vice President

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment E
Certification Of Match

Norfolk Southern - Andover Rail Siding - mp 2.3-T to 1.2T & LN-279.1 to LN-280.1

Norfolk Southern Railway Company ("Norfolk Southern") has applied to the Commonwealth of Virginia for Rail Enhancement Funds in the amount of $1,400,000 in connection with the Norfolk Southern Andover Rail Siding Project. As described in greater detail in Norfolk Southern's application, this project will encompass upgrading and interconnecting 2.1 miles of existing trackage to provide sufficient space to meet trains.

As part of this application, Norfolk Southern hereby certifies that it will provide a local match equivalent to 30 percent of the estimated total project cost for which Rail Enhancement Funds are made available, or $600,000. This match will be provided entirely by Norfolk Southern or one or more parents, subsidiaries or affiliates of Norfolk Southern.

NORFOLK SOUTHERN RAILWAY COMPANY
By:

Name: Daniel M. Mazur
Title: Vice President

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment F
Certification Of Additive Investment

Norfolk Southern - Kilby Crossovers - Suffolk, VA, mp N-22 – N-25,

This letter certifies that the Virginia Rail Enhancement Funds requested in the accompanying application will add to the state's rail infrastructure and will not be used to replace funds that would have otherwise been spent in the Commonwealth.

Norfolk Southern's application requests funds for creating a passing siding at Andover, VA by upgrading and interconnecting existing trackage to provide space for trains to meet.

The overall objective of the project is to increase capacity and to speed up train operations in the coalfields of Southwestern Virginia. Three routes from coal mining areas converge at Andover and at present, no track exists where trains can pass each other. Instead, they must be held in locations removed from Andover, resulting in delay to coal shipments and in inefficient utilization of equipment. This trackage handles the preponderance of coal mined in Southwestern Virginia, so improvements to the local rail infrastructure will improve competitiveness of Virginia coal vis-à-vis coal mined in neighboring states.

Although Norfolk Southern foresees some traffic growth in this corridor, and although the corridor presently experiences daily congestion, internal funds will not be available to undertake the improvements at Andover for some years to come. Without Rail Enhancement Funds, this project will not be built unless there are significant changes in the traffic flows.

In sum, Norfolk Southern certifies that the Virginia Rail Enhancement Funds requested in its application will be used as part of a public-private partnership for improvements that NS would not undertake alone.

NORFOLK SOUTHERN RAILWAY COMPANY
By:

Name: Daniel M. Mazur
Title: Vice President
Date:

Rail Enhancement Fund
Project Application Form

EXHIBIT I

Attachment G
Statement Of SWAM Participation

Norfolk Southern – Andover Rail Sidings

January 31, 2008

To Whom It May Concern:

In connection with Norfolk Southern Railway Company's Rail Enhancement Fund Application for Andover Rail Sidings project, please accept this letter as the applicant's statement regarding small, women- and minority-owned business (SWAM) participation goals.

For project work that is not performed by Norfolk Southern's workforce, Norfolk Southern will undertake reasonable and good faith efforts to achieve the SWAM participation goal for the project through race-neutral and gender-neutral means that are lawful and non-discriminatory. We understand the project participation goal to be forty percent (40%) of the total value of contracts between Norfolk Southern and third parties for the performance of the project work. The success of Norfolk Southern's efforts will of course be impacted by the availability of qualified and willing small businesses and women- and minority-owned businesses within the market area of the project.

Thank you for considering Norfolk Southern's application.

Very truly yours,

Daniel M. Mazur
Vice President

NORFOLK SOUTHERN DESIGN & CONSTRUCTION DEPARTMENT - PROJECT ESTIMATE - DETAIL

PROJECT DESCRIPTION: Proposed Siding
LOCATION: Appalachia, VA
DIVISION: Central MILE POST: 2.37

D&C PROJECT # D557
CHIEF ENGR FILE # 107-1-5467
D&C PLAN # #

PREPARED BY: M.W. Wigley
PREPARED ON: 10/31/07
PRINT DATE: 10/31/07

RAILWAY LENGTH: 3,950
INDUSTRY LENGTH: 0
TOTAL LENGTH: 3,950

DESCRIPTION OF ITEM		AFE FUNC. CODE	QUANT.	UNIT	UNIT COST	MATERIAL					LABOR			SUPERVISION			CAPITAL	EXPENSE	COST to REMOVE
						CONTRACT	PURCHASE OTHER	MATERIAL	OH %	AMOUNT	LABOR	OH %	AMOUNT	OTHER	OH %	AMOUNT			
DEPT 66-MAINTENANCE																			
MATERIAL																			
Rail (for Complete New Track Construction)																			
136#RE - CWR - Standard (New)	W	5109	200	TF	$28.20			5,640	8.92	503							$6,143		
Rail (for Replacement / Upgrade)																			
136#RE - CWR - Standard (New)	W	5109	3,750	TF	$28.20			105,750	8.92	9,433							$115,183		
Turnouts (Panelized)																			
No. 10 - 132#RE - SMSG	N	5109	6	EA	$26,650.00			159,900	6.04	9,658							$169,558		
No.15 - 136#RE - RBM	1	5109	9	EA	$49,350.00			444,150	6.04	26,827							$470,977		
Rail/Turnouts/Other																			
Insulated Jnt. (for turnouts)		5109	54	EA	$575.00			31,050	6.04	1,875							$32,925		
Crossties																			
Ties - Hardwood - Grade 4 & 5 - Main Track		5108	120	EA	$36.90			4,428	11.62	515							$4,943		
Crossties for Rehabilitation (if >675 per mile)																			
Ties - Hardwood - Grade 4 & 5 - Main Track		5108	1,650	EA	$36.90			60,885	11.62	7,075							$67,960		
OTM																			
Field Weld Material		5109	320	EA	$43.00			13,760	6.04	831							$14,591		
Cut Spikes (N)		5109	168	Keg	$81.35			13,504	6.04	816							$14,320		
Joint Bars - pair (N)		5109	114	PR	$55.70			6,350	6.04	384							$6,734		
Bolts - Complete (N)		5109	684	EA	$1.05			718	6.04	43							$761		
Rail Anchors (N)		5109	7,884	EA	$1.15			8,837	6.04	534							$9,371		
6"x18" DS - 132/136#RE (N)		5109	1,500	EA	$10.70			16,050	6.04	969							$17,019		
7-3/4"x 14-3/4" DS - 132/136#RE (N)		5109	2,542	EA	$4.75			12,075	6.04	729							$12,804		
Filter Cloth	1.0	5109	3,072	SY	$1.90			5,837	6.04	353							$6,190		
Switch Stands																			
Switch Stand 51A w/ Rod & Bow Handle		5109	15	EA	$440.00			6,600	6.04	399							$6,999		
Derails																			
Double Switch Point Derail (Panel)		5109	1	EA	$12,070.00			12,070	6.04	729							$12,799		
Graded Aggregate	1.0																		
Ballast - Main Track	9.0	5111	5,000	Ton	$7.00		35,000		51.31	17,959							$52,959		
Grade Crossings																			
Rubber Flange Insert Crossing - Insert		5139	96	TF	$52.00		4,992		6.04	302							$5,294		
Rubber Flange Insert Crossing - Asphalt	1.2	5139	115	Ton	$72.64		8,354		5.72	478							$8,832		
LABOR																			
Hardwood Ties																			
Construct New Track - Complete - Ties		5108	200	TF	$9.00						1,800	92.50	1,665				$3,465		
Construct New Track - Complete - New Rail		5109	200	TF	$14.00						2,800	92.50	2,590				$5,390		
Replace Rail - Complete - New Rail		5109	3,750	TF	$19.50						73,125	92.50	67,641				$140,766		
Replace Wooden Ties (>675 per mile)		5108	2,750	TF	$9.00						24,750	92.50	22,894				$47,644		
Install Panelized #10 Turnout		5109	6	EA	$2,800.00						16,800	92.50	15,540				$32,340		
Install Panelized #15 Turnout		5109	9	EA	$3,500.00						31,500	92.50	29,138				$60,638		
Field Weld		5109	320	EA	$160.00						51,200	92.50	47,360				$98,560		
Install Insulated Joint		5109	54	EA	$85.00						4,590	92.50	4,246				$8,836		
Place Ballast		5111	5,000	Ton	$3.20						16,000	92.50	14,800				$30,800		
Surface Track (for Rail & Tie Replacement)	3.0	5111	14,640	TF	$0.80						11,712	92.50	10,834				$22,546		
Install Panelized Double Switch Point Derail		5109	1	EA	$1,200.00						1,200	92.50	1,110				$2,310		
Install Rubber Insert Grade Crossing		5139	96	TF	$20.00						1,920	92.50	1,776				$3,696		
EXPENSE LABOR																			
Relocate Track		5209	1,200	TF	$10.00													$12,000	
Replace Derail - DSP		5209	1	EA	$2,060.00													$2,060	
TRACK REMOVAL																			
Remove Track (complete) - Labor		5209	1,326	TF	$6.60													$8,800	
Remove Turnout (complete) - Labor		5209	8	EA	$1,545.00													$12,400	
Remove Crosstie (for rehabilitation) - Labor		5208	1,650	EA	$5.50													$9,100	
Remove Rail (for rehabilitation) - Labor		5309	3,750	TF	$1.45														$5,400
Straight Rail Turnout - Rail		5209	4	EA	$205.00													$820	
Straight Rail Turnout - OTM		5209	4	EA	$410.00													$1,640	
Straight Rail Turnout - Labor		5209	4	EA	$930.00													$3,720	

NORFOLK SOUTHERN DESIGN & CONSTRUCTION DEPARTMENT - PROJECT ESTIMATE - DETAIL

PROJECT DESCRIPTION: Proposed Siding
LOCATION: Appalachia, VA
DIVISION: Central MILE POST: 2.37

D&C PROJECT # D687
CHIEF ENGR FILE # 107-1-6467
D&C PLAN # #

PREPARED BY: M.W. Wigley
PREPARED ON: 10/31/07
PRINT DATE: 10/31/07

RAILWAY LENGTH: 3,950
INDUSTRY LENGTH: 0
TOTAL LENGTH: 3,950

DESCRIPTION OF ITEM	AFE FUNC. CODE	QUANT.	UNIT	UNIT COST	MATERIAL CONTRACT	MATERIAL PURCHASE OTHER	MATERIAL	MATERIAL OH %	MATERIAL AMOUNT	LABOR	LABOR OH %	LABOR AMOUNT	SUPERVISION OTHER	SUPERVISION OH %	SUPERVISION AMOUNT	CAPITAL	EXPENSE	COST to REMOVE
–Capital Contingency–	5109	15	%		0	7,254	136,196		12,088	35,703		33,008	0		0	$224,247		
–Expense Contingency–	5209	15	%														$7,660	
RIN 15750																		
Dept. 66 - Total Cost >>>>>					$0	$55,600	$1,043,800	–	$92,500	$273,100	–	$252,600	$0	–	$0	$1,717,600	$58,200	$5,400
–DESIGN & PERMITTING - (for Dept. 66)–	5103	5	%										74,678	40.25	30,058	$104,736		
–DESIGN & PERMITTING - (for Dept. 62)–	5103	5	%										0	40.25	0	$0		
–CONSTR. MANAGEMENT - (for Dept. 66)–	5103	3	%										44,801	40.25	18,032	$62,833		
–CONSTR. MANAGEMENT - (for Dept. 62)–	5103	3	%										0	40.25	0	$0		
–Capital Contingency–	5103	15	%		0	0	1		0	0		0	17,921		7,310	$25,232		
–Expense Contingency–	5203	15	%														$0	
RIN 15740																		
Dept. 62 - Total Cost >>>>>					$0	$0	$0	–	$0	$0	–	$0	$137,400	–	$55,400	$192,800	$0	$0
DEPT 63-BRIDGES & STRUCTURES																		
Bridge - Capital	5106		LS	Attachment	52,000	0	0	–	0	0	–	0	0	–	0	$52,000		
Bridge - Expense	5206		LS	Attachment	xxxx	xxxx	xxxx		xxxx	xxxx		xxxx	xxxx		xxxx		$0	
Bridge - Cost to Remove	5306		LS	Attachment	xxxx	xxxx	xxxx		xxxx	xxxx		xxxx	xxxx		xxxx			$0
RIN 15750																		
Dept. 63 - Total Cost >>>>>					$52,000	$0	$0	–	$0	$0	–	$0	$0	–	$0	$52,000	$0	$0
DEPT 52-SIGNAL & ELECTRICAL																		
Signals - Capital	5127		LS	Attachment	15,000	0	0	–	0	0	–	0	0	–	0	$15,000		
Signals - Expense	5227		LS	Attachment	xxxx	xxxx	xxxx		xxxx	xxxx		xxxx	xxxx		xxxx		$0	
Signals - Retirement Expense	5327		LS	Attachment	xxxx	xxxx	xxxx		xxxx	xxxx		xxxx	xxxx		xxxx		$0	
RIN 15770																		
Dept. 52 - Total Cost >>>>>					$15,000	$0	$0	–	$0	$0	–	$0	$0	–	$0	$15,000	$0	$0
					Contract	Purchase Other	Material		Amount	Labor		Amount	Other		Amount	Capital	Expense	Cost to Remove
TOTAL DEPARTMENTS COST >>>>>>>>>>>>>>>>>>>>>>>>>>>>					$67,000	$55,600	$1,043,800	–	$92,500	$273,100	–	$252,600	$137,400	–	$55,400	$1,977,400	$58,200	$5,400

TOTAL PROJECT COST >>>> *$2,041,000*

Rail Enhancement Fund

Project Application Form

Internal Use
DRPT Tracking #

EXHIBIT II

Attachment A
Project Data Information Form

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Clarkton Siding

General Instructions: Please complete the following forms that apply to the project application.

- For Freight Service projects, complete forms A1, A2 and A5
- For Intercity/Amtrak passenger projects, complete forms A1, A3 and A5
- For Commuter/VRE passenger projects, complete forms A1, A4 and A5
- For projects that involve benefits to both freight and passenger projects, form A1 and forms A2-A4 that apply must be completed. For each completed form A2-A4, a form A5 must be completed for each category for projects resulting in multiple project benefits.

Terms:
Project Cost and Construction period: Form A1 shall be completed with total project cost by year of expenditure with total DRPT cost identified by year of expenditure. This section must be completed for all project applications.

Demand Characteristics: This category of information relates to the additional demand for rail service (including freight and passenger) due to the project. This additional demand must be over and above baseline conditions that currently exist. The specific data to enter here defines initial demand, steady state demand, and the years until steady state demand is achieved.

Steady State Demand: This term refers to the point at which the project benefits/demand have reached a long-term, sustainable level.

Project Impact on Travel Distance: This category of information includes the distance that would be traveled by vehicle or train. All distances should be limited to miles within Virginia. The distance should relate directly to the project-impacted area.

Demand Characteristics for a 15-year Performance Period: This term refers to the project output by performance year, which will be utilized to determine that public benefits and to determine the performance requirements over the 15-year Performance Period of the Grant Agreement.

EXHIBIT II
Attachment A
Form A1 – Project Cost and Construction Period
Norfolk Southern – Clarkton Siding

First Construction Year: 2010

Last Construction Year: 2011

Year	Total Project COST	Total DRPT COST
2010	$2,150,000	$1,500,000
2011	$2,850,000	$2,000,000
Total	**$5,000,000**	**$3,500,000**

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT II
Attachment A
Form A2 – Freight Service
Norfolk Southern – Clarkton Siding

	CATEGORY	UNITS	VALUE
Demand Characteristics	Steady state demand – diversion of freight to rail (from trucks)	Carloads/Year	n/a
	First year of diversion	Carloads/Year	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project impact on Travel Distance	Rail miles in Virginia (Existing routing before project)	Miles	n/a
	Rail miles in Virginia (routing after project completion)	Miles	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Conversions	Railcars per Train	Railcars/Trains	n/a
	Rail tons per Railcar	Tons/Railcar	n/a
	Trucks per Railcar	Trucks/Railcar	n/a

	CATEGORY	UNITS	VALUE
Other	Change in Daily Delay for Freight Trains	Railcars/Trains	To be determined
	Reduction in Number of Rail At-Grade Crossings	Tons/Railcar	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT II
Attachment A
Form A3 – Passenger Service – Intercity/Amtrak
Norfolk Southern – Clarkton Siding

	CATEGORY	UNITS	VALUE
Demand Characteristics	Annual Amtrak passengers (existing)	Passengers/Year	n/a
	Steady State Demand – Additional Amtrak Passengers	Passengers/Year	n/a
	First Year Number of Additional Passengers	Passengers/Year	n/a
	Number of Years Until Steady State	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project Impact on Travel Distance & Time	Amtrak Passenger Trip Length (existing)	Miles	n/a
	Amtrak Passenger Trip Length (After Project Completion)	Miles	n/a
	Amtrak Travel Time Per Trip (existing)	Minutes	n/a
	Amtrak Travel Time Per Trip (After Project Completion)	Minutes	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT II
Attachment A
Form A5– Demand Characteristics for 15-Year Performance Period
Norfolk Southern – Clarkton Siding

Performance Year	Performance Value *
1	
2	
3	
4	
5	
6	
7	
8	
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10	
11	
12	
13	
14	
15	
Total	

For Freight Service Projects – car loads or containers per year
For Inter-City/Amtrak Passenger Projects – passengers per year
For Commuter/VRE Passenger Projects – passengers per year

Performance Values to be determined as costs and benefits projections refined as project and funding progresses.

Internal Use

DRPT Tracking #

Rail Enhancement Fund
Project Application Checklist

EXHIBIT II

Attachment B

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Clarkton Siding

Checklist for Application:

1. Project is consistent with goals of applicable adopted state, regional and/or local plans.

   _X_ YES ____ NO

2. Project is an Additive Investment to Virginia.

   _X_ YES ____ NO

3. Project provides for, or does not preclude, shared or dual access opportunity.

   _X_ YES ____ NO

4. Applicant has provided documentation and certification of at least a minimum 30% match.

   _X_ YES ____ NO

5. Applicant has provided an environmental review plan and/or public involvement plan, if applicable, and required budget for this activity as outlined in Appendix D.

   _X_ YES ____ NO

6. Application is complete, including signature and specified number of hard copies and an electronic (pdf file) copy; and Applicant has reviewed the Standard Agreement as provided in Appendix C.

   _X_ YES ____ NO

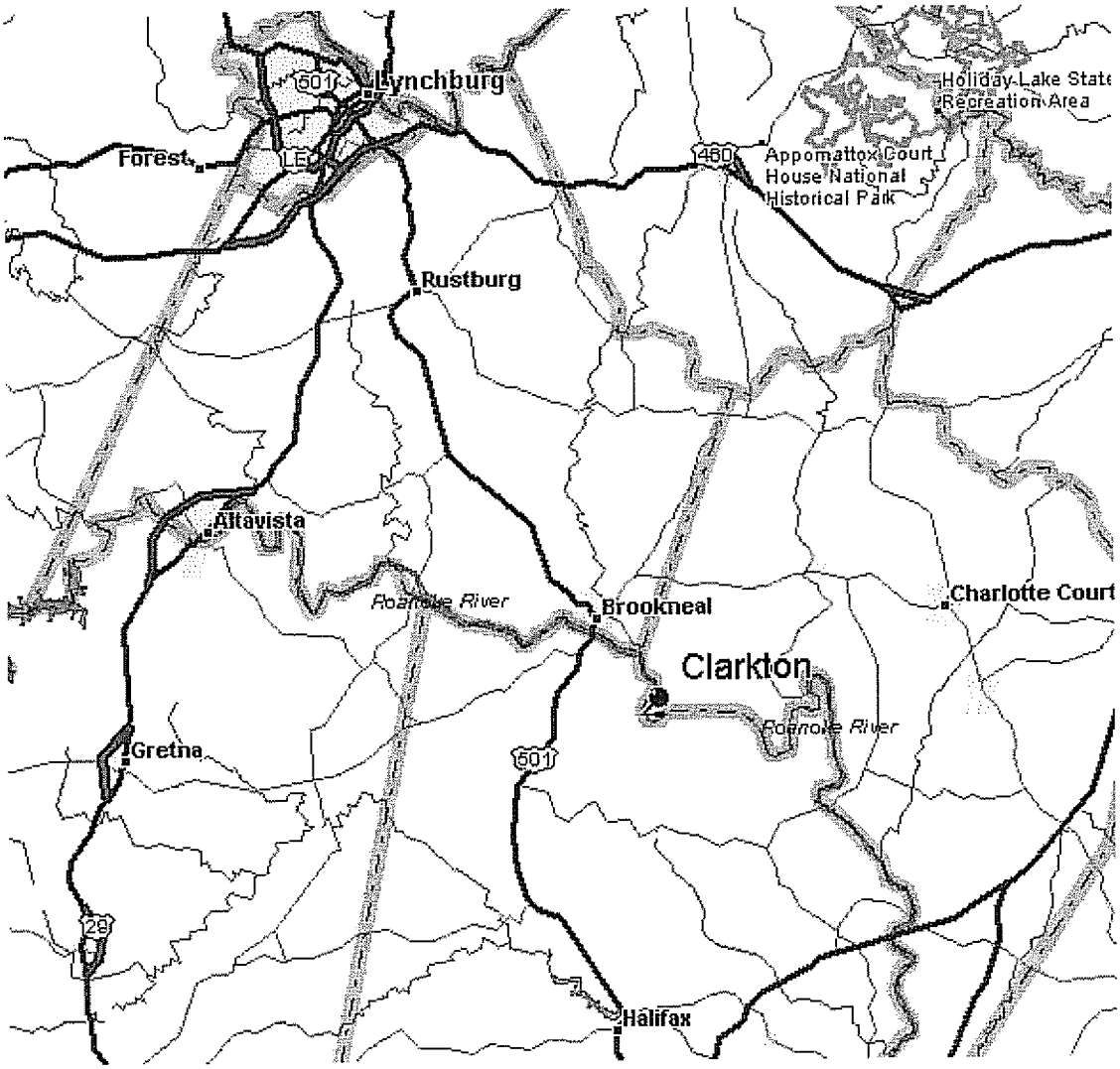
Rail Enhancement Fund
Project Application Form

EXHIBIT II

Attachment C

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Clarkton Siding



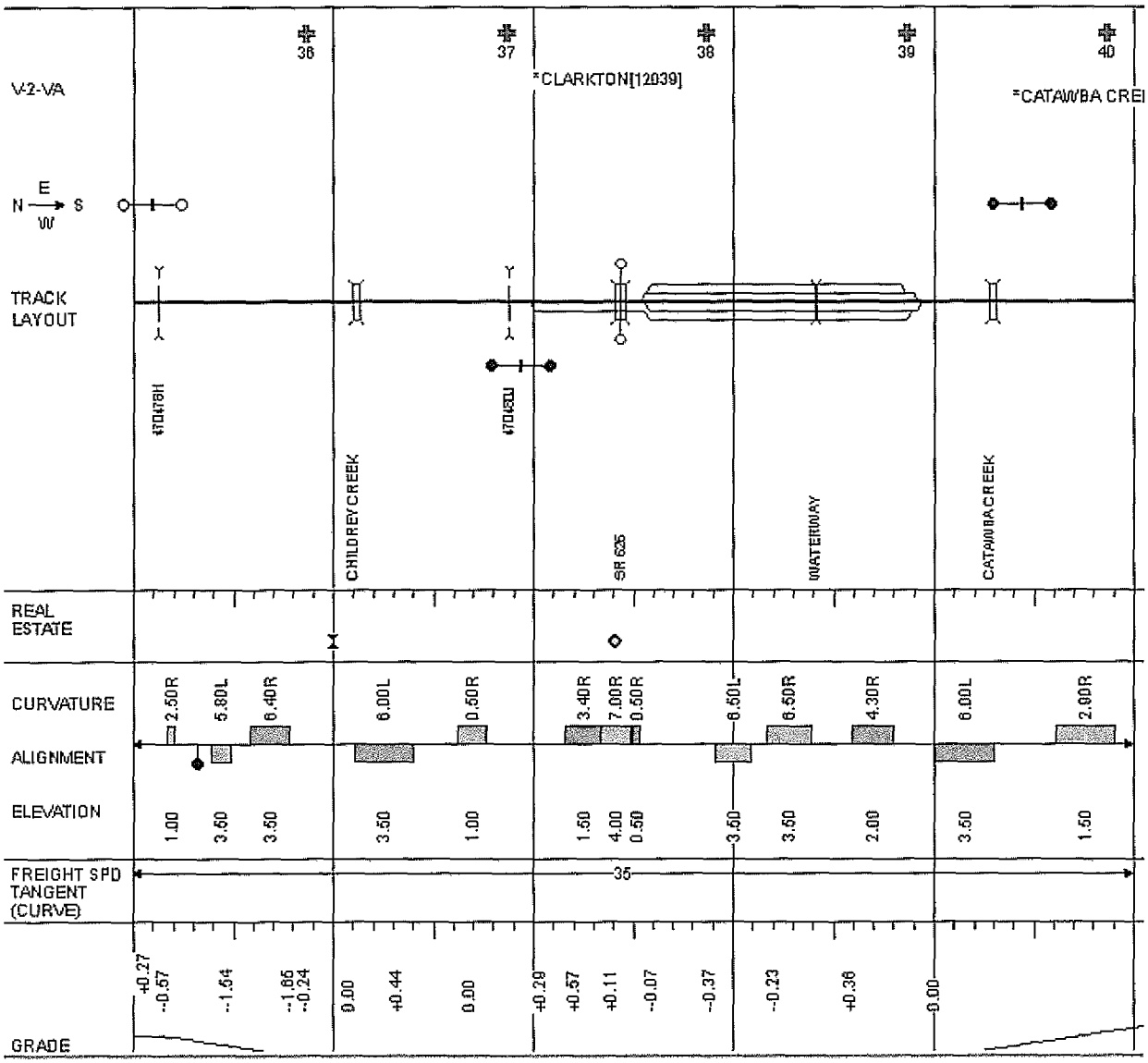
Rail Enhancement Fund
Project Application Form

EXHIBIT II

Attachment C

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Clarkton Siding



Rail Enhancement Fund
Project Application Form

Internal Use
DRPT Tracking #

EXHIBIT III

Attachment A
Project Data Information Form

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Virso Siding

General Instructions: Please complete the following forms that apply to the project application.

- For Freight Service projects, complete forms A1, A2 and A5
- For Intercity/Amtrak passenger projects, complete forms A1, A3 and A5
- For Commuter/VRE passenger projects, complete forms A1, A4 and A5
- For projects that involve benefits to both freight and passenger projects, form A1 and forms A2-A4 that apply must be completed. For each completed form A2-A4, a form A5 must be completed for each category for projects resulting in multiple project benefits.

Terms:
Project Cost and Construction period: Form A1 shall be completed with total project cost by year of expenditure with total DRPT cost identified by year of expenditure. This section must be completed for all project applications.

Demand Characteristics: This category of information relates to the additional demand for rail service (including freight and passenger) due to the project. This additional demand must be over and above baseline conditions that currently exist. The specific data to enter here defines initial demand, steady state demand, and the years until steady state demand is achieved.

Steady State Demand: This term refers to the point at which the project benefits/demand have reached a long-term, sustainable level.

Project Impact on Travel Distance: This category of information includes the distance that would be traveled by vehicle or train. All distances should be limited to miles within Virginia. The distance should relate directly to the project-impacted area.

Demand Characteristics for a 15-year Performance Period: This term refers to the project output by performance year, which will be utilized to determine that public benefits and to determine the performance requirements over the 15-year Performance Period of the Grant Agreement.

EXHIBIT III
Attachment A
Form A1 – Project Cost and Construction Period
Norfolk Southern – Virso Siding

First Construction Year: 2012

Last Construction Year: 2013

Year	Total Project COST	Total DRPT COST
2012	$2,150,000	$1,500,000
2013	$2,850,000	$2,000,000
Total	**$5,000,000**	**$3,500,000**

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT III
Attachment A
Form A2 – Freight Service
Norfolk Southern – Virso Siding

	CATEGORY	UNITS	VALUE
Demand Characteristics	Steady state demand – diversion of freight to rail (from trucks)	Carloads/Year	n/a
	First year of diversion	Carloads/Year	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project impact on Travel Distance	Rail miles in Virginia (Existing routing before project)	Miles	n/a
	Rail miles in Virginia (routing after project completion)	Miles	n/a
	Number of years until steady state	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Conversions	Railcars per Train	Railcars/Trains	n/a
	Rail tons per Railcar	Tons/Railcar	n/a
	Trucks per Railcar	Trucks/Railcar	n/a

	CATEGORY	UNITS	VALUE
Other	Change in Daily Delay for Freight Trains	Railcars/Trains	To be determined
	Reduction in Number of Rail At-Grade Crossings	Tons/Railcar	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT III
Attachment A
Form A3 – Passenger Service – Intercity/Amtrak
Norfolk Southern – Virso Siding

	CATEGORY	UNITS	VALUE
Demand Characteristics	Annual Amtrak passengers (existing)	Passengers/Year	n/a
	Steady State Demand – Additional Amtrak Passengers	Passengers/Year	n/a
	First Year Number of Additional Passengers	Passengers/Year	n/a
	Number of Years Until Steady State	Number of Years	n/a

	CATEGORY	UNITS	VALUE
Project Impact on Travel Distance & Time	Amtrak Passenger Trip Length (existing)	Miles	n/a
	Amtrak Passenger Trip Length (After Project Completion)	Miles	n/a
	Amtrak Travel Time Per Trip (existing)	Minutes	n/a
	Amtrak Travel Time Per Trip (After Project Completion)	Minutes	n/a

Use Form A-5 to provide demand characteristics for the 15-Year Performance Period.

EXHIBIT III
Attachment A
Form A5– Demand Characteristics for 15-Year Performance Period
Norfolk Southern – Virso Siding

Performance Year	Performance Value *
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
Total	

For Freight Service Projects – car loads or containers per year
For Inter-City/Amtrak Passenger Projects – passengers per year
For Commuter/VRE Passenger Projects – passengers per year

Performance Values to be determined as costs and benefits projections refined as project and funding progresses.

Rail Enhancement Fund
Project Application Checklist

Internal Use
DRPT Tracking #

EXHIBIT III

Attachment B

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Virso Siding

Checklist for Application:

7. Project is consistent with goals of applicable adopted state, regional and/or local plans.

   _X_ YES ____ NO

8. Project is an Additive Investment to Virginia.

   _X_ YES ____ NO

9. Project provides for, or does not preclude, shared or dual access opportunity.

   _X_ YES ____ NO

10. Applicant has provided documentation and certification of at least a minimum 30% match.

    _X_ YES ____ NO

11. Applicant has provided an environmental review plan and/or public involvement plan, if applicable, and required budget for this activity as outlined in Appendix D.

    _X_ YES ____ NO

12. Application is complete, including signature and specified number of hard copies and an electronic (pdf file) copy; and Applicant has reviewed the Standard Agreement as provided in Appendix C.

    _X_ YES ____ NO

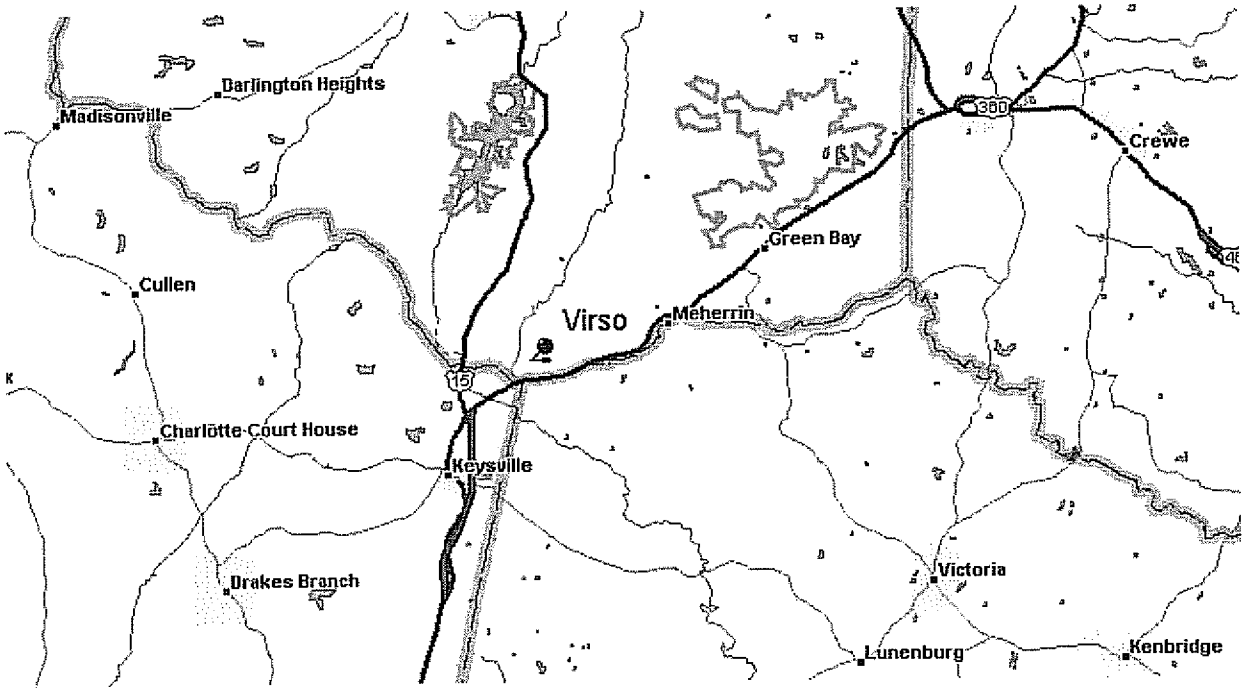
Rail Enhancement Fund
Project Application Form

Exhibit III

Attachment C

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Virso Siding



Rail Enhancement Fund
Project Application Form

Exhibit III

Attachment C

Date: 1/31/2008

Name of Applicant and Project:
Norfolk Southern – Virso Siding